

HOUSE BILL REPORT

SSB 6382

As Passed House:

February 28, 2006

Title: An act relating to authorizing the Washington horse racing commission to expend a statutorily limited amount of its operating funds for the development of the equine industry, improvement of racing facilities, and equine health research.

Brief Description: Authorizing the Washington horse racing commission to expend a statutorily limited amount of its operating funds for the development of the equine industry, improvement of racing facilities, and equine health research.

Sponsors: By Senate Committee on Labor, Commerce, Research & Development (originally sponsored by Senators Hewitt, Kohl-Welles, Rasmussen, Finkbeiner, Pflug and Sheldon; by request of Horse Racing Commission).

Brief History:

Committee Activity:

Commerce & Labor: 2/16/06 [DP].

Floor Activity:

Passed House: 2/28/06, 94-3.

Brief Summary of Substitute Bill

- Authorizes the Washington State Horse Racing Commission to spend annually up to \$300,000 of operating funds to develop the equine industry and upgrade racing facilities, with priority given to nonprofit race meets and equine health research.

HOUSE COMMITTEE ON COMMERCE & LABOR

Majority Report: Do pass. Signed by 7 members: Representatives Conway, Chair; Wood, Vice Chair; Condotta, Ranking Minority Member; Chandler, Assistant Ranking Minority Member; Holmquist, Kenney and McCoy.

Minority Report: Do not pass. Signed by 1 member: Representative Hudgins.

Staff: Chris Cordes (786-7103).

Background:

The Washington State Horse Racing Commission administers the requirements governing the conduct of horse race meets in Washington. Its responsibilities include encouraging the training and development of the equine industry and assuring that racing facilities are

maintained and upgraded to insure safety for the public and the horses during training and racing meets.

One source of funding for some of these responsibilities is the interest on the 1 percent of gross parimutuel machine receipts that is reserved to pay special purses to owners of Washington-bred horses. The statute's legislative intent states that this funding is to be "sufficient" for the support of small race courses.

Summary of Bill:

As long as sufficient funds remain for its continued operations, the Washington State Horse Racing Commission (Commission) may spend up to \$300,000 per fiscal year of its operating funds for developing the equine industry, maintenance and upgrades of racing facilities, and equine health research. In allocating funds, the Commission must give first consideration to uses that assist the nonprofit race meets and equine health research.

The legislative findings are modified regarding the interest obtained from the 1 percent of gross parimutuel machine receipts reserved to pay special purses to owners of Washington-bred horses. This funding is no longer described as "sufficient" for the support of nonprofit race meets.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.

Testimony For: The Horse Racing Commission realizes that the small nonprofit tracks need assistance. Because of the bill allowing advance deposit wagering, funding is now available. Ninety percent of the Commission's operating funds come from taxes on wagers. There is sufficient revenue to put something back into the horse racing community and help develop the industry. Legislative authority is needed to allow this use of the funds. The Commission's operating funds may not be spent for general state purposes. Emerald Downs has been providing, and will continue to provide, subsidies for purses at the nonprofit tracks.

Testimony Against: None.

Persons Testifying: Robert Leichner and Carol Smith-Merkulov, Washington Horse Racing Commission; and Jim Halstrom, Emerald Downs.

Persons Signed In To Testify But Not Testifying: None.